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SENATE BILL 375

By Cooper

AN ACT to amend Tennessee Code Annotated, Title 6; Title 7; Title 65 and Title 67, relative to retail sales and distribution of liquefied petroleum gas.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Notwithstanding any other provision of law to the contrary, a utility district, electric cooperative, or municipal electric, may enter into or remain in the retail sales and distribution of liquified petroleum gas (propane) and the services related to such business, including, but not limited to, the design, sale, distribution, lease, rental, installation, construction, modernization, retrofit, maintenance or repair of propane gas-related systems, propane gas products or propane gas equipment; provided, however, such sales, distribution and services must be provided by a for-profit corporation in which all the stock is owned by the utility district, electric cooperative or municipal electric.

SECTION 2. Such for-profit corporation may not be subsidized in any way by the parent utility district, electric cooperative or municipal electric. The corporation must maintain separate financial records. All equipment used by such corporation must be owned by the corporation including, but not limited to, motor vehicles, tanks, storage tanks, pipes, tools and other personal property. All assets presently used in the provision of propane gas services may be

sold to the corporation; provided, however, if such assets are directly or indirectly sold to such corporation, then the assets must be sold at a fair market value. Such corporation shall be housed at a facility separate from the municipal electric, electric cooperative or utility district. All persons working with or for the corporation shall be employees of the corporation. All mailing and billing by the corporation shall be done separately from the utility district, electric cooperative or municipal electric. There shall be no loans to or grants to, or in any other way provide assistance to the for-profit corporation, either directly or indirectly, from a utility district, electric cooperative or municipal electric. All meters shall be read by the for-profit corporation and shall not be read by the utility district, electric cooperative or municipal electric. The corporation shall be liable for taxes, both state and federal, and shall not have the protection of the Governmental Tort Liability Act, compiled in Title 29, Chapter 20. All costs of doing business shall be borne by the for-profit corporation.

SECTION 3. Any person may bring an action to enjoin and restrain any violation of Sections 1 and 2 of this act and may in the same action seek damages in a court of competent jurisdiction against the entity in violation. Available relief shall include, but not be limited to, monetary damages and injunctive relief. Provided, further, that it is not a necessary prerequisite to a civil action pursuant to this section that the complainant prove it has suffered, or is threatened with, actual damages.

SECTION 4. This act shall take effect July 1, 2001, the public welfare requiring it.